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TO: Honorable Tim Pawlenty, Governor
Honorable Margaret Anderson Kelliher, Speaker of the House
Honorable James Metzen, President of the Senate
Senate Research
House Research
Legislative Committee Chairs

DATE: February 3, 2010

RE: FY09 Organization Annual Report – Lawful Gambling

The attached report is provided to you as required under Minnesota Statute, section 349.151, subdivision 4, paragraph (a), clause (9).

The report includes a financial summary for each licensed organization conducting lawful (charitable) gaming and depicts gross receipts, prizes paid, expenses, and charitable donations. The report also includes a summary of all activity.

Report Highlights:

- Licensed organizations reported gross sales from lawful gambling of \$1,008,730,000 in FY09.
- Overall rate of prize payout was 81.6%.
- \$80,325,000 of gross profit was spent on "lawful purpose" donations in FY09.
 - \$33 million was spent on "charitable donations.
 - \$41 million was spent on taxes and fees.
 - \$6.5 million was spent on real estate taxes, utilities for veteran and fraternal clubs, and other miscellaneous items.
- The overall effective rate of taxes and fees paid compared to gross receipts was 3.9%.
- On average, licensed organizations are spending 57% of their gross profits on expenses.
- Veterans organizations account for 29% of total licensed organizations.

This report is sorted alphabetically by licensed organization. Additional "sorts" (by city, by gross receipts) can be provided upon request or viewed at www.gcb.state.mn.us under Annual Reports.

If you have any questions, please let me know!

Tom Barrett
Executive Director

Gambling Control Board

Report to the Governor and Legislature

FY2009 Financial Summary for Licensed Lawful (Charitable) Gambling Organizations

(MS 349.151, Subd. 4(a)(9) requires the Gambling Control Board to report annually to the governor and legislature a financial summary for each licensed organization)

GROSS RECEIPTS, PRIZES PAID, OPERATING EXPENSE, FUNDS AVAILABLE FOR DONATIONS

\$1,008,730,000	Gross Receipts - all money received from the five forms of lawful (charitable) gambling
\$823,522,000	Less Prizes Paid (81.6%)
\$185,208,000	Net Receipts (18.4%)
\$185,208,000	100.0% Net Receipts
(\$104,784,000)	56.6% Less Allowable (Operating) Expenses ⁽¹⁾ - expenses directly related to conduct of gambling such as salaries, rent, product, supplies
(\$1,318,000)	0.7% Less Capital Assets and Improvements - expenditures or contributions requiring approval by Gambling Control Board (mostly building repairs)
\$79,106,000	42.7% Amount available for Lawful Purpose Expenditures or Contributions (LPE), including taxes and fees, charitable contributions, and other lawful purpose)

ACTUAL FUNDS SPENT DURING FY2009

\$40,854,000	22.1% LPE spent on Taxes and Fees (taxes related to gambling, the .1% Board fee, and licensing fees paid to Gambling Control Board)
\$32,949,000	17.8% LPE spent on Charitable Donations (See chart FY2009 Charitable Contribution Breakdown for donations that meet charitable definition)
\$6,522,000	3.5% Other LPE (miscellaneous allowed items such as real estate taxes and utilities paid by veteran and fraternal organizations that own their own buildings)
\$80,325,000	43.4% Actual amount spent in FY2009 ⁽²⁾

Organization Type: ⁽³⁾

Veterans	352	29%	Legions, VFWs, Auxiliaries, etc.
Youth Programs	198	16%	Athletic, musical, etc.
Fire Departments	165	13%	Fire Relief Associations
Lions Clubs	165	13%	Lions
Fraternal / Civic Clubs	125	10%	Eagles, Elks, Moose, Jaycees, etc.
Miscellaneous	106	9%	Animal shelters, arts, library, medical, etc.
Outdoor	95	8%	ATV, conservation, fishing, hunting, lakes, snowmobile, trails, etc.
Church / School	21	2%	Churches, private schools
TOTAL	1,227	100%	

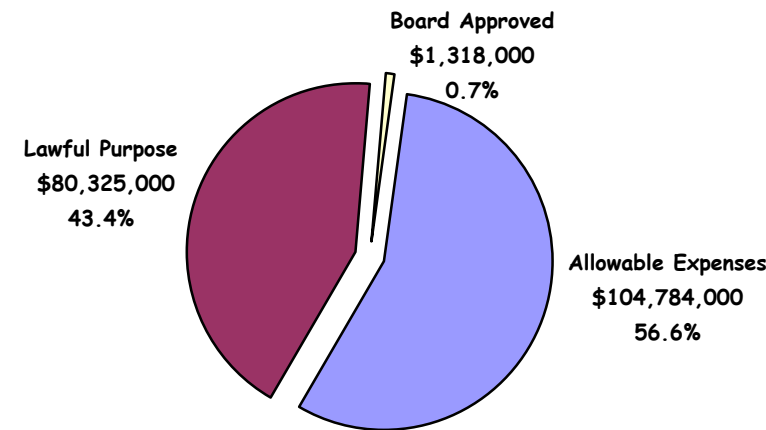
⁽¹⁾ Some organizations exceeded the expense limit allowed by law and were required to reimburse the overage from non-gambling funds. Total reimbursement was \$550,000.

⁽²⁾ Organizations are not required to spend 100% of net receipts annually. Money may be carried over from one year to the next (usually for larger projects).

⁽³⁾ 1% of the organizations did not respond by the deadline. Organizations with less than a full year of activity were not included.

Gambling Control Board

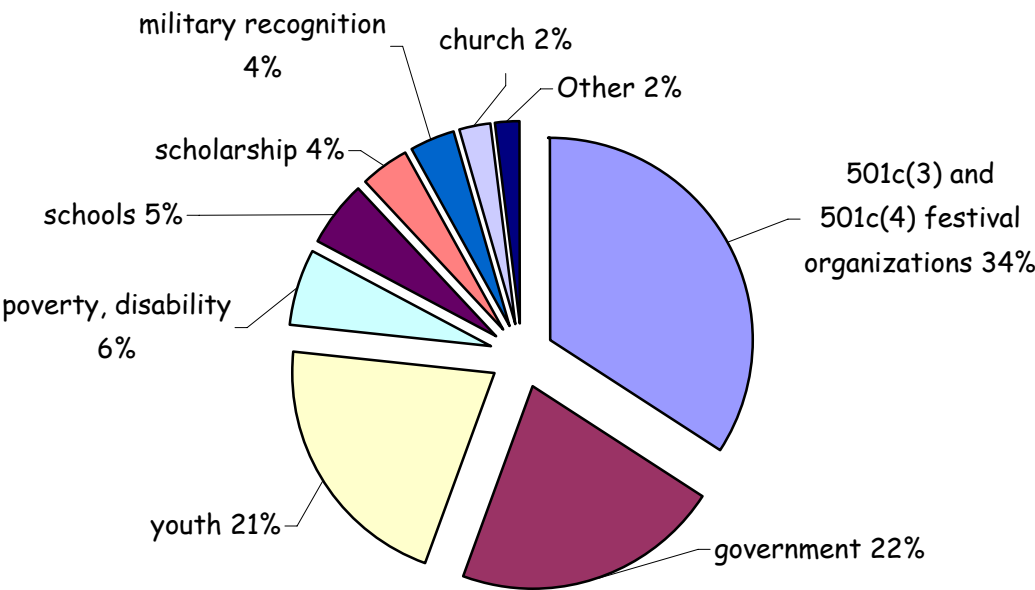
Net Receipts FY2009



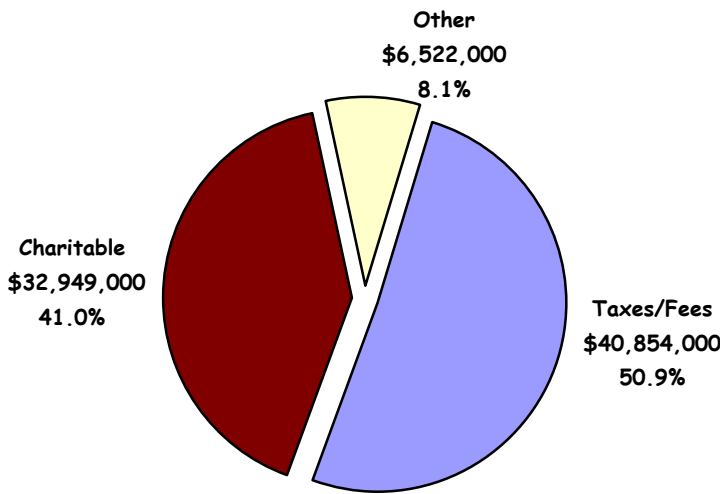
FY2009 Total Net Receipts Deposited \$185,208,000
FY2009 Total Net Receipts Spent \$186,427,000

*Amount includes excess expenses of \$550,000 that required reimbursement

FY2009 Charitable Contribution Breakdown



FY2009 Lawful Purpose Breakdown



Total Lawful Purpose Expenditures \$80,325,000

			Donation code
\$11,221,000	34%	501c(3) and 501c(4) festival organizations	A1
\$7,100,000	22%	government	A10
\$6,934,000	21%	youth	A7
\$2,002,000	6%	poverty, disability	A2
\$1,742,000	5%	school	A4
\$1,331,000	4%	scholarship	A5
\$1,179,000	4%	military recognition	A6
\$769,000	2%	church	A11
\$671,000	2%	Other	
\$32,949,000	100%		
\$380,000		Other - wildlife management, trails, DNR	A13
\$220,000		Other - food shelves	A14
\$47,000		Other - community arts	A15
\$20,000		Other - humanitarian	A19
\$4,000		Other - problem gambling	A3